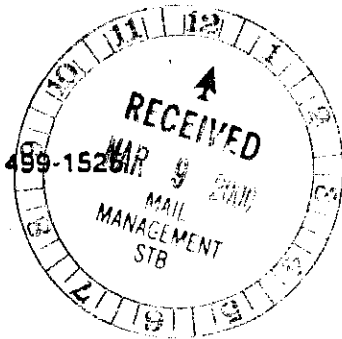


**DURWOOD
GREENE
CONSTRUCTION CO.**

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February 29, 2000

Secretary
U.S. Surface Transportation Board
1925 K. Street, N.W.
Washington, D. C. 20423-001

ENTERED
Office of the Secretary

MAR 15 2000

Re: BNSF/CN
 STB Finance Docket No. 33842

Part of
Public Record

Gentlemen:

Durwood Greene Construction Co. uses rail transportation. Our annual volume is approximately 300,000 tons. Our company uses Union Pacific Railroad for most of our transportation needs.

We support the STB's decision in the BNSF/CN docket to examine carefully the BNSF/CN proposed control application, including all of the effects it could have on the rail transportation industry. The Board should not look at the BNSF/CN transaction in a vacuum. It should consider the effects that further mergers and consolidations in the rail industry will have on shippers.

We also applaud the Board for its decision to solicit public comment and hold a hearing, before BNSF and CN file their application, to begin to address the efforts of the proposed BNSF/CN transaction and potential future rail consolidations on the structure of the rail industry in North America.

The March hearing in Ex Parte 582 offer a good opportunity for the Board to address the kinds of evidence it should consider (and require BNSF/CN to submit in their application) when it turns its attention to evaluating the BNSF/CN proposal.

Any major rail consolidation now or in the immediate future would be extremely unfortunate. The rail industry is still adjusting to the effects of the last round of mergers which began with the Burlington Northern's purchase of the Santa Fe. Not all of the benefits of those mergers have been realized or accomplished yet. The industry needs to stabilize and improve its overall operations before further consolidations are undertaken.

Our company has experienced the effects of the service disruptions caused by rail mergers over the past five years, including the merger of Burlington Northern and Santa Fe. Shippers in the U. S. and Canada are still feeling the effects of the most recent changes in the East. While improvements in the service are taking place, this has been a long, expensive and resources



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consuming process for our company. The railroads do not need further disruptions and distractions in providing service right now.

Any major consolidation, like BNSF/CN, will necessarily lead to more mergers and consolidations. That is the history of virtually every major industry as companies react to the changing landscape in the marketplace to avoid losing competitive leverage. While there might be a time when additional mergers become appropriate, another round of merge activity is likely to divert all to the railroads' attention, resources and energy away from the more important job of improving their services in the current industry structure.

Merger implementation is obviously a multi-year process that consumes attention and resources of the merging railroads' management. Our company has worked through the disruption to rail services that has followed these mergers. The shipper community deserves and has earned a period of stability in the rail industry while the railroads concentrate on completing the integrations and delivering all the benefits we expected from the prior mergers that the STB has approved.

Railroad service was improving significantly in the early 1990's, when railroads' managements were not distracted by one merger proposal after another and all the implementation efforts that followed STB approval. That progress was interrupted by the BNSF merger and those that followed. Until the BNSF/CN proposal, we looked forward to a hiatus of at least several years during which railroads could again focus their attention on improving the existing network rather than changing again through mergers.

More mergers and consolidations are unnecessary now. The rail industry has recently shrunk to a half-dozen large railroads. This new structure and rapid advances in information technology offer the industry opportunities to improve their service without mergers. They should concentrate on pursuing cooperative initiatives to improve interchange service, projects to coordinate dispatching and operations in complex terminal areas and more effective utilization of their information technology to better serve all rail customers.

The rail industry has made significant progress since deregulation. Our company does not want to see the return of more onerous economic regulation of the railroads. That would have a negative impact on the financial health of the industry. Ultimately, railroads would reduce their investment in their infrastructure, abandon track and reduce service. It would soon be evident that the remaining railroads would not be able to meet the demands for transportation service that they fill today. Yet the BNSF/CN merger and others that are likely to follow will lead to increased calls in Congress to reregulate the industry.




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A further reduction in the number of large railroads serving North America will inevitably lead to a dramatic change in economic regulation of the industry. Shippers will demand changes to offset the effects of consolidations. "Open access" is not the answer. The financial strength of the railroads would quickly deteriorate if the government adopted policies that cut railroad revenue, just as the airline industry would fall if government outlawed yield management in that industry. Our company benefits from the differing prices that railroads offer their customers. "Open access" would eliminate differential pricing and drive our transportation costs up.

Sincerely,
Durwood Greene Construction Co.


Jerry L. Berry
Vice President